

AN ACT

ENTITLED, An Act to revise certain provisions relating to notes to insurance company financial reports.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 58-43-4 be amended to read as follows:

58-43-4. The annual audited financial report shall report the financial position of the insurer as of the end of the most recent calendar year and the results of its operations, cash flows, and changes in capital and surplus for the year then ended. The audit shall reflect the statutory accounting practices prescribed, or otherwise permitted, by the division. The report shall include the following:

- (1) Report of the accountant;
- (2) Balance sheet reporting admitted assets, liabilities, capital, and surplus;
- (3) Statement of operations;
- (4) Statement of cash flows;
- (5) Statement of changes in capital and surplus; and
- (6) Notes to financial statements.

Any notes to financial statements shall be prepared in accordance with the Annual Statement Instructions Manual and the Accounting Practices and Procedures Manual prescribed by the National Association of Insurance Commissioners as promulgated by rule by the director pursuant to chapter 1-26 and shall also include a reconciliation of differences, if any, between the audited statutory financial statements and the annual statement filed pursuant to § 58-6-75 with a written description of the nature of these differences.

Financial statements furnished pursuant to §§ 58-43-4 and 58-43-5 shall be reviewed by an accountant. The audit of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards. Consideration should also be given to procedures illustrated

in the financial condition examiner's handbook promulgated by the national association of insurance commissioners as the accountant considers necessary.

An Act to revise certain provisions relating to notes to insurance company financial reports.

=====

I certify that the attached Act
originated in the

SENATE as Bill No. 54

Secretary of the Senate
=====

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 54

File No. _____

Chapter No. _____

=====

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
=====

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
=====

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State